



## Protecting Your Business in the Face of a Pandemic

- *Protecting Your Business in the Face of a Pandemic*
- *Influenza 101*
- *It Need Not be Lonely at the Top*
- *Q & A – Learning to “fight fair”*

The Public Health Agency of Canada defines pandemic as a worldwide outbreak of a specific disease to which people have little or no immunity. An influenza pandemic is an outbreak of a strain of influenza virus that people have not developed immunity toward. The H1N1 flu virus (sometimes referred to as the “swine flu”) is such a virus.

Over the past few months, especially as children returned to school, public health officials have warned that we could see the spread of H1N1 and have urged that individuals, schools, businesses, and communities take steps to prepare for an outbreak. If you haven’t already done so, we urge you to take time to create and implement a pandemic plan for your family business.

### Have a Plan

As surprising as it may sound, one of the most important things you can do to prepare for a possible pandemic is to formulate a pandemic plan. Creating a plan helps you and your employees focus on different scenarios that may occur and create contingency plans you can enact in the event different scenarios play out. As well, being proactive and creating a plan can help allay fears employees and family members may have as a result of the economic impact the business may suffer should a pandemic strike.

Your plan should include:

1. Workplace infection control procedures;
2. A communications strategy; and
3. Procedures for responding to increased absences.

Once you have developed a pandemic plan, be sure to share it with employees and other stakeholders.

### 1. Workplace Infection Control

One of the most effective ways of preventing the flu, or slowing the spread of it, is by keeping hands and common surfaces clean. Your pandemic plan’s workplace infection control procedures should include information about the need for hand washing and the most effective hand washing technique. As well, your plan should include specifics about having an ample supply of hand sanitizers readily available in places like the lunchroom, beside doors, at peoples’ desks, etc. The policy should also promote cleaning of commonly used surfaces like telephones, doorknobs, keyboards, counter tops,

#### *Tidbit*

The goal of pandemic preparedness is to minimize social disruption that may occur in the event of an influenza pandemic.

*Your Family Business Matters* is published quarterly by BDO Dunwoody LLP on issues of interest to family business owners. This material is general in nature and should not be relied upon nor should it replace specific professional advice.

Comments and suggestions should be addressed to Bruce Ball, National Office by Fax: (416) 367-3912 or E-mail to [familybiz@bdo.ca](mailto:familybiz@bdo.ca). We invite you to visit our web site at [www.bdo.ca](http://www.bdo.ca) to find out more about our firm and the offices near you. Or call us at 1-800-805-9544.

hand rails, etc., to keep them germ free. To promote such action the policy may specify that disinfectant wipes should be readily available throughout the workplace, as well as tissues and garbage cans for their disposal.

Another way of decreasing the chance of the spread of the virus is to discourage or restrict group gatherings – both formal (proper meetings) and informal (chats around the water cooler). Your plan might direct that in the event of a pandemic, employees should interact with each other and customers/clients on the phone or via computer rather than face-to-face.

Your plan might also include the requirement that the distance between workstations be increased and that work shifts be staggered.

### **Encouraging Employees to Stay Home If Sick**

Unlike some illnesses, the flu (whether it's H1N1 or some other type) is easily spread in crowds and at workplaces. Therefore, it's important that businesses establish a policy that requires employees to immediately go home if they become sick and to stay home when sick.

Your plan should also clarify what your expectations are of employees during a pandemic, for example, that they report any illness. As well, consider instituting a liberal sick leave policy that allows employees to remain home if members of their household come down with the flu. Such a policy should help prevent the spread of the flu and shows you appreciate the employee's role as caregiver.

### **Alternative Work-Site Options**

In the event of a pandemic it may be necessary (for example, if a public health official orders a quarantine as a containment

measure) or advisable to have employees work from home or from other remote locations (other offices or branches of your business). Your planning should include determining whether infrastructure (such as telephone lines, internet access, laptops, etc.) needs to be put in place to allow for such activity.

### **Emotional Support**

Besides coping with possible physical illness, a pandemic outbreak can cause employees anxiety and fear. As a result, providing employees with emotional support and counselling services should be considered. If you don't already have an employee assistance plan in place, consider establishing one (or identify a provider you might hire), or provide employees with information about publicly available mental health and other social services.

### **Traveling for Business**

A comprehensive plan should also include procedures employees should follow if they are traveling. The procedures should cover steps employees should take before departing, such as:

- checking the status of the virus in places they'll be traveling to, including whether they may find themselves in quarantine should they be infected with the flu while away;
- a contingency plan, should they find themselves unable to work while away or unable to return as originally planned;
- ways of obtaining health care while away; and
- taking hand sanitizer with them.

### **2. Communications Plan**

Your pandemic plan should include a communications plan that includes ways of reaching employees, suppliers, customers,

your bank, family members, etc. At a minimum you should ensure that you have current contact information for anyone you might need to reach. (It's a good idea to assign someone to regularly update contact information.)

It's also useful to develop a strategy for communicating with suppliers, customers, and other stakeholders. The strategy may include establishing dedicated hotlines or web pages for providing updated information, or it might be just a chain of command-type list of people to check in with or keep updated.

In formulating your communication strategy, consider alternative ways of holding meetings. Instead of face-to-face meetings, for example, it may be necessary or advisable to hold meetings by telephone or video conference. Be sure you have the necessary technology in place to do so, and be sure people are trained in using it.

### **3. Coping with Increased Absences**

Some estimate that during peak periods of a pandemic outbreak in a specific area, from 20-50% of employees may end up unable to come into work (whether because they are sick or because someone in their household comes down with the flu). To minimize the impact of absences, as part of your plan you should identify core people and core skills and make sure enough employees are cross-trained to carry out essential functions. Consider identifying and training ancillary personnel, for example, contractors, retirees, etc., who could be called upon in an emergency to fulfill important functions.

You should also ensure that the "chain of command" is comprehensive and is clear to everyone. For example, if someone in a decision-making role is unable to perform their duties, it

should be clear who is next in line to make decisions.

### Up-to-Date Information

The H1N1 flu has been in the news and will likely continue to be in the news for some time, so it should not be difficult to keep up-to-date with developments. It's a good idea, however, to specifically assign someone the task of monitoring public health

pronouncements in communities where you carry on business and keeping employees informed.

### Conclusion

Though some may see creating a pandemic plan as fear-mongering, there really is no down-side to having a plan. Creating a pandemic plan – like creating any kind of business continuity plan – is an opportunity to review your

overall business processes and human resource policies. Besides increasing the likelihood that your business will survive in the event of a pandemic, time spent creating such a plan may lead you to discovering ways of improving business processes.

#### *Tidbit*

The most useful independent advisors are those that advise and that question the fundamental assumptions on which the business is run.

## Influenza 101

Here is some background information regarding influenzas from various Canadian government sources. (See “Where to find out more” for a list of resources from which much of this information was compiled.)

### The flu

Influenza, often referred to as “the flu”, is a common, infectious respiratory disease that begins in your nose and throat. The flu is a highly contagious virus that spreads rapidly from person to person.

### Flu symptoms

The symptoms of flu include fever, chills, coughing, having a runny nose, sore throat, muscle aches, fatigue, and lack of appetite. Children suffering from the flu can also have vomiting and diarrhea.

The flu is different from the common cold in a number of ways:

- The flu comes on suddenly – in a matter of hours you can go from feeling fine to feeling horrible.
- With the flu you have a fever.

- The flu leaves you exhausted – while you can normally function with a cold, with the flu you just want to crawl into bed.

### H1N1 flu

The H1N1 flu is a respiratory illness that causes symptoms similar to the regular, seasonal flu.

### What constitutes a pandemic

An influenza pandemic is a worldwide outbreak of a strain of influenza virus that people have not developed immunity toward. The Chief Public Health Officer of Canada would announce a pandemic alert.

### How the flu is spread

Flu is spread when someone infected coughs or sneezes and droplets from their cough or sneeze comes in contact with another person's nose, mouth, or eye.

### Precautions to avoid spreading the flu

One of the best ways of preventing the spread of any kind of flu is to wash your hands often with warm

soapy water for at least 20 seconds or use hand sanitizers.

Despite the fact that many of us grew up being told to cover our mouth when we sneeze or cough – doing so is bad form because your hands are more likely to spread the germs. When coughing or sneezing, do so into the crook of your elbow or on your sleeve. If you wipe or blow your nose into a tissue, be sure to throw it away immediately and wash your hands.

If a member of your household is sick, keep personal items separate.

#### *Tidbit*

Businesses that have enacted cost-cutting measures recently may find themselves sitting on a nice nest egg. While it may be comforting to have such a cushion, spending it on something that will yield a return, such as on equipment (to boost productivity) or on increasing your sales staff (too boost sales) may make more business sense.

Don't share personal items or drinks with anyone who has the flu or who may have it. Use a disinfectant to clean surfaces those who have the flu may have come in contact with.

### If you get sick

If you are sick, stay home until your symptoms are gone and you feel well enough to participate in all activities. Specifically with regard to the H1N1 virus, the Public Health Agency of Canada recommends that if you get flu-like symptoms and are otherwise healthy, you should stay home to recover. If your symptoms worsen or you experience difficulty breathing or serious shortness of breath, it is important that you seek medical attention.

### Why the annual flu shot doesn't protect you against H1N1

The annual flu shot is designed to protect against strains of human influenza that the experts expect to be in circulation during the current

year's flu season. Getting a normal flu shot is a way to protect you from getting seasonal flu, but it will not protect you from new strains that emerge to create a pandemic (such as H1N1).

### The difference between a vaccine and antiviral medication

A vaccine against a flu virus is a preparation (usually in the form of a shot) intended to produce immunity to a disease by stimulating your body's production of antibodies. The antibodies provide you with immunity against the virus for about four to six months.

Antivirals are drugs used to prevent influenza and for early treatment of it. Antivirals do not stop you from getting sick by providing immunity from the virus – they work by either destroying the virus or interfering with its ability to grow and reproduce. Antivirals can be given to patients for early treatment of influenza. If taken within 48 hours after

getting sick, antivirals can be used to reduce symptoms, to shorten the length of illness, and to minimize serious complications.

### Where to find out more

The Public Health Agency of Canada has information on pandemic preparedness at: <http://www.phac-aspc.gc.ca/influenza/pandemic-eng.php>.

It has also established an H1N1 flu hotline: 1-800-454-8302.

As well, the Public Health Agency of Canada has a web site specifically about the flu: [www.fightflu.ca](http://www.fightflu.ca). This web site provides information about the situation in the provinces and territories.

The Canadian Centre for Occupational Health and Safety also has useful information about pandemic planning at: <http://www.ccohs.ca/pandemic/tools.html>.

For travel notices and advisories check: [www.voyage.gc.ca](http://www.voyage.gc.ca).

## It Need Not be Lonely at the Top

The old school of thought was that the best way to run a business was by having one person at the top. While this may still hold true for public companies – it's not necessarily true for family businesses. Indeed, according to the 2007 American Family Business Survey<sup>1</sup>, 42% of those surveyed said they are considering co-CEOs as successors.

Though the survey report didn't offer reasons for such a high number, it could be that family business owners are open to the idea of having co-CEOs as successors because family

### Tidbit

Here are a few other trends reported in the 2007 American Family Business Survey, carried out by MassMutual, Kennesaw State University, and the Family Firm Institute, we found particularly interesting:

- "...when considering their top three most-trusted advisors, business owners ranked their accountant first, just as they did in 2002; spouses second, up from fifth in 2002; and their lawyer third, down a spot from 2002."
- "In a major advance from 2002, 24 percent of the businesses surveyed have a female CEO or President; in 2002 that number was only 10 percent (which was already double 1997 numbers)."

businesses often are started by siblings or spouses who worked together to build the business and therefore they understand the benefits of teamwork.

But, making co-leadership work requires a fair bit of effort and

mutual commitment and the commitment that may have been natural to the founders may not come quite as naturally to successors. The commitment is straightforward in nature, but it can be difficult to achieve: both

<sup>1</sup>  
<http://www.massmutual.com/mmf g/pdf/afbs.pdf>

individuals must agree to do what's best for the business, no matter what their personal desires are in any particular instance.

### **Preliminary Work**

The work needed to even make a go of co-leadership starts before either party agrees to assume a co-leadership role. Before such an arrangement is struck, each party should engage in directed soul-searching, asking themselves things like:

- Am I capable of sharing responsibilities?
- Can I accept shared decision-making?
- Can I delegate tasks?

If the answer to any of these questions is no for either party, then attempts at a co-leadership arrangement will be futile.

Besides knowing about themselves, from the outset each potential partner must have a good sense about – and be comfortable with – various aspects of the other person's personality and character. In addition, they should know the other person's:

- business philosophy and ethical standards;
- vision for the business' future; and
- style of interacting and decision-making.

On a more practical level, each should also assess for themselves issues like:

- Do they like the other person?
- Do they trust the other person?
- Would they like to work with the other person?
- Are they comfortable having their economic future interwoven with the other person?

Once each of the potential co-leaders assesses their own strengths and weaknesses and the pros and cons of forming a partnership, if both agree that

### **Troubling Times Require Extra Communications**

Though good communications between family members who are active in the business and those who are not active is important at all times – during an economic downturn the need for open, honest communication is even more important because such conditions usually translate into heightened tension and stress for all. In "Managing emotional stresses in a challenging economy", Fredda Herz Brown, Sam Davis, Dennis Jaffe, and Frank Lotery (*Family Business Magazine* (Winter 2009)) offer suggestions for decreasing tension among family members. Here are some of their ideas, as well as a few of ours,

In the face of economic uncertainty, people often react with fear, doubt, and distrust. During such times, therefore, it's especially important to find ways of keeping lines of communication open. Formal family meetings are a good idea as they provide a forum that reinforces the idea that family members are "all in this together". Keep in mind that one of the goals of opening up the communication channels is to ensure that family members have an accurate picture of the business' financial situation. While the truth might be unsettling, speculation and guessing are counterproductive.

Another way of restoring a sense of calm and security among family members is to re-commit to following established processes for effective analysis and decision-making. It's also important to resist the temptation to make impulsive decisions that may make matters worse. While the current situation may be different from what you've worked through before, keep in mind you've faced other business challenges and have been successful. Reassure family members that whatever ups and downs the business may face, your intention is to apply the strategies (if somewhat modified) that have worked for the business in the past.

As well, encourage all family members to take stock of the human capital contributed by each member and to not disregard the powerful impact of positive relationships. The emotional support family members can give each other during difficult times will help everyone and is the real power behind family businesses.

shared leadership is feasible, working together to draft a list of reasons why co-leadership is a good idea for the business and the family is a useful exercise. The list will no doubt become the foundation for the relationship and, if shared with family members, will help others appreciate their commitment to working as a team.

### **On-going effort**

Maintaining any kind of relationship takes effort, and co-leadership relationships are no exception. Most social relationships function based on unwritten rules of social etiquette that have developed over time and that most of us learn through observation and personal

experience; co-leadership in business is relatively rare, however, and there are few social scripts from which those involved can draw. Therefore, it's a good idea to establish formal frameworks and protocols around which decisions can be made and issues can be tackled.

Policies related to responsibilities and compensation (including perks and benefits) are obvious things to nail down, but equally beneficial are policies regarding how conflicts will be resolved and regarding standards of behaviour and ethics. Establishing a schedule for regular, open, and transparent communication is also a must, as is creation of family

councils and convening of family meetings to keep others informed about the state of the family business.

### **Conclusion**

Co-leadership can be a marvelous option if the people involved have the right personalities and a

commitment to making it work. Indeed, such arrangements can be rewarding for the business, can ease the burden on the individuals, and can help strengthen and unite the family.

#### ***Tidbit***

A succession plan isn't just about choosing who will take over – it's about developing the skills of the successor to ensure the continued success of the business.

## ***Q&A – Learning to “fight fair”***

**Q.** My wife and I run our family business. Both of our 20-something children are active in it and both are likely to take it over when we retire. Our kids have different roles in the business and their roles are equivalent in terms of title, authority, and salary, so there really isn't what I'd consider sibling rivalry. My wife and I are both concerned, however, that when they disagree their tone with each other digresses to the point of a fight. Any suggestions on ways we can encourage them to “fight fair”?

**A.** We'll take you at your word that there's no sibling rivalry or jealousy – but if there is, professional counselling may be in order. If you feel all that's needed is ground rules you can lay down to help them work through disagreements, we do have some suggestions. Before we offer any pointers, however, we want to point out what you don't want to encourage: the avoidance of disagreements. In any relationship it's important that the parties feel they have the right to disagree and to air their views – this is true in business relationships too. While avoidance may seem like the path of least resistance – it's not particularly healthy and cannot be sustained over the long-haul.

Fighting is one means of resolving a conflict. The key to fighting fair

is to be respectful of the other person, regardless of how you feel about them or the position they might take on an issue. Being respectful involves remaining calm, refraining from name-calling, taking care not to put the other person down, and listening to the other person's concerns. Parties should confront each other only with facts and feelings because these are not debatable. For example, if your son is upset because your daughter didn't consult him when she made a decision about a shipment, instead of him making a blanket statement like: “You always make decisions behind my back,” point out that it's more productive for him to stick to specific the facts, for example: “When you approved the shipment without checking with me, I got angry.”

Another thing to watch for when family members fight is the tendency to bring up past mistakes and failures. Statements like, “you always”, or “there you go again” are incendiary and unproductive. When you hear such comments from your children, remind them to focus on the issue at hand, not on personality traits, behaviour, or old issues.

And finally, this probably goes without saying but we'll mention it anyway: be sure to stress that fights (or disagreements) should always take place behind closed

office doors. Disagreements should never be discussed in front of employees, customers, bankers, other family members (such as children), etc.

#### ***Tidbit***

Though buyer's remorse has happened to all of us, it's certainly not something you want your customers to feel. Preventing buyer's remorse can be as simple as following-up with customers after a sale. A simple call after a sale can not only prevent buyer's remorse, it can create goodwill and a closer relationship that could lead to valuable referrals.